



District 8 Community Meeting

August 6, 2012



QUALITY OF LIFE BOND / BALLPARK PROJECT

**Joyce Wilson, City Manager
City of El Paso**



EL PASOANS TOLD US...

I believe in,
and want to invest in,
El Paso's future.

85.1%

We need to have a City that is
more attractive to young El Pasoans,
with more to do, so they stay here
rather than settle somewhere else.

86.8%

We need to improve
our quality of life.

90.6%

We need a City that is
more competitive with
other cities in attracting
new business to El Paso.

93.7%

We need the amenities
and quality of life in El Paso
that put us even with or
ahead of other major cities
in the United States.

81.9%

Agree, strongly and somewhat
-The Reuel Group



WHAT TYPE OF COMMUNITY PROJECT / IMPROVEMENT WOULD YOU LIKE TO SEE **FUNDED BY BOND...**

	Frequency	Percent
Parks and Recreation	2,269	48%
Zoo	1,192	25.2%
Museums and Cultural Attractions	354	7.5%
Libraries	102	2.2%
Signature Projects	100	2.1%
Neighborhood Improvement Projects	52	1.1%
Other	6631	14%



2012 Quality of Life Bond – Election Day, Nov 6, 2012

Question 1

- Parks, Recreation, and Open Space \$190M
- Zoo \$50M

Question 2

- Multi-purpose Cultural and Performing Arts Facilities \$180M
- Museums Upgrades & Improvements \$8.25M
- Children's Museum, Hispanic Cultural Center, and Digital Wall \$28M
- Library \$12M

Question 3

- Triple-A Baseball Stadium**

TOTAL \$468.25M

** Ballot question solely to designate venue for
HOT tax increase

2012 Quality of Life Bond – Election Day, Nov 6, 2012

PROJECTS IN QUESTION 1

- New and renovated neighborhood pools
- Signature competition pool
- New, expanded, and renovated recreation & senior centers
- Trails/Open space
- Neighborhood Improvement Projects (NIP)
- New parks & park improvements
- Flat field/soccer complex
- Metal shade canopies over playgrounds



2012 Quality of Life Bond – Election Day, Nov 6, 2012

PROJECTS IN QUESTION 1 *cont.*

- Play structures and swings
- Outdoor sports field lights
- Improvements and additions to four different areas of the zoo
- Wildlife Theatre at zoo
- New aquatic exhibits at zoo
- New Chihuahuan Desert exhibit at zoo
- Two new African zoo exhibits
- Larger carousel for zoo
- New zoo animals



2012 Quality of Life Bond – Election Day, Nov 6, 2012

PROJECTS IN QUESTION 2

- Digital Wall, first of its kind in the United States (also included a small, portable outdoor unit that can be temporary installed in parks, recreation centers, schools, and other community locations)
- Multi-purpose Cultural and Performing Arts Facilities capable of hosting major events year-round
- 30,000 sq. ft. Children's Museum
- Hispanic Cultural Center

Digital Wall





2012 Quality of Life Bond – Election Day, Nov 6, 2012

PROJECTS IN QUESTION 2



- Improvements to Main (downtown) & Regional libraries
- Improvements to library branches
- New bookmobile
- Technology mobile
- Express libraries
- New library materials





2012 Quality of Life Bond – Election Day, Nov 6, 2012

WHAT AM I VOTING FOR ON QUESTION 3?

Voters will be voting on the venue designation for the ballpark and a two percent (2%) increase in the hotel occupancy tax (HOT) not on the ballpark project itself. An increase in the HOT tax will help pay for the majority of the ballpark project.





2012 Quality of Life Bond – Election Day, Nov 6, 2012



- **Council will call for election on Aug 14 (2 ordinances)**
- **Also adopt resolution establishing Bond Oversight Advisory Committee**



How Does Triple-A Baseball Fit Into the Picture?





PACIFIC COAST LEAGUE of Professional Baseball Clubs, Inc.



PACIFIC COAST LEAGUE
of Professional Baseball Clubs, Inc.

One Chisholm Trail, Suite 4200
Round Rock, TX 78681
Phone: (512) 310-2900
Fax: (512) 310-8300

July 30, 2012

Joyce Wilson
City Manager
2 Civic Center Plaza, 9th Floor
El Paso, TX 79901

Dear Ms. Wilson,

The purpose of this letter is to confirm to you that Mountain Star "Ownership Group") has entered into a Term Sheet and subsequent purchase agreement covering the contractual rights to a Triple-A baseball team, which intends to relocate to El Paso.

Under the Constitution of the Pacific Coast League of Professional Baseball Clubs ("PCL"), the Ownership Group is required to obtain initial approval of our Preliminary Application Review ("PAR") process, and I am pleased to report that the Ownership Group received *unanimous* approval of its PAR application by the PCL Executive Committee on July 25, 2012.

The Ownership Group has begun the next phase of baseball's approval process by submitting a Control Interest Transfer ("CIT") application to Minor League Baseball and the PCL. The review of that application is in process. Because the Ownership Group has already been approved under the PAR process, we expect the CIT review to be straightforward and we do not anticipate any issues.

Finally, it is my understanding that all funds required for the acquisition have already been deposited in a single purpose, segregated account.

Sincerely,

Branch B. Rickey
President

BBR/maf

Web: www.pclbaseball.com
E-mail: office@pclbaseball.com

Joyce Wilson
City Manager
2 Civic Center Plaza, 9th Floor
El Paso, TX 79901

Dear Ms. Wilson,

The purpose of this letter is to confirm to you that Mountain Star Sports Group, LLC (the "Ownership Group") has entered into a Term Sheet and subsequent purchase agreement covering the contractual rights to a Triple-A baseball team, which the Ownership Group intends to relocate to El Paso.

Sincerely,

Branch B. Rickey
President



Why Triple-A Baseball?

- **Local ownership group buying team to locate in El Paso for economic development & redevelopment purposes**
- **Team available for purchase now; 2nd opportunity**
- **City had to partner to build new stadium downtown**
- **Be ready for 2014 season**
- **25 year lease commitment**



Why Triple-A Baseball?

- Triple-A baseball is an economic development opportunity
- Only 30 cities in the nation host Triple-A baseball teams
- Triple-A baseball would provide 71 home games per season plus additional special events to the Downtown area
- Visiting teams, officials, media and visitors will stay in El Paso as part of this investment
- Triple-A will bring an annual estimated 436,000 patrons to the downtown area





What is the economic impact of having Triple-A Baseball in El Paso?

- Ballpark visitor will spend an average of \$41.17 per game, which translates to over \$17.9 million in direct spending a year
- Constructing a \$50 million ballpark contributes an estimated total economic impact of \$76.8 million, labor income of \$22.6 million and 611.7 jobs



Why Downtown and Specifically the City Hall Site?



- **Downtown Opportunities**

Multiple Downtown Locations Considered



Why Downtown and Specifically the City Hall Site?

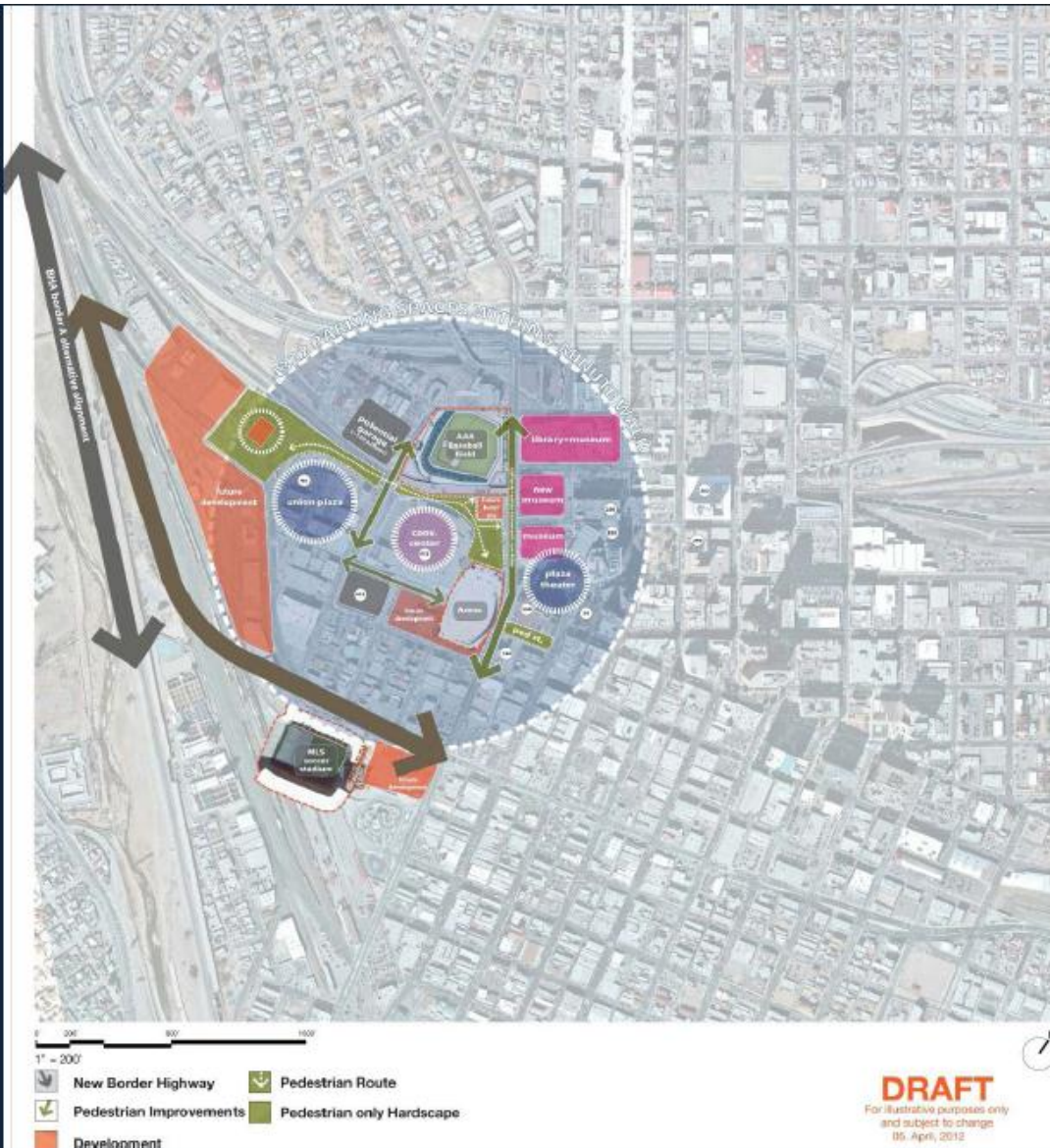
Preferred Site



- Baseball on City Hall site
- Arena on Convention Center site
- Soccer on Paisano site
- Relocated museums within Cultural Center
- City Hall relocated
- Potential corollary redevelopment
- Preferred alternative for the Border Highway



Accessibility



- 4,322 existing parking spaces within a 5 minute walk of the Convention Center
- Accessible from I-10 and the Southern Relief Route, and is within close proximity to downtown's international bridges
- Rapid Transit System
- Future Trolley System

Why the City Hall Site?

- The size of the site can accommodate baseball in the required orientation and works with proposed Triple-A timeline
- Eliminates the need for private property acquisition and allows the project to proceed in a timely manner
- City Hall is in need of extensive repairs





- **City Hall site is the best site for the AAA baseball stadium**
- **Adjacent historic sites add critical authenticity to the facility – a hallmark of successful new field**
- **Strong synergies with existing Convention Center**
- **Site could work with proposed AAA timeline**
- **Other sites have significant size, schedule, and acquisition constraints**



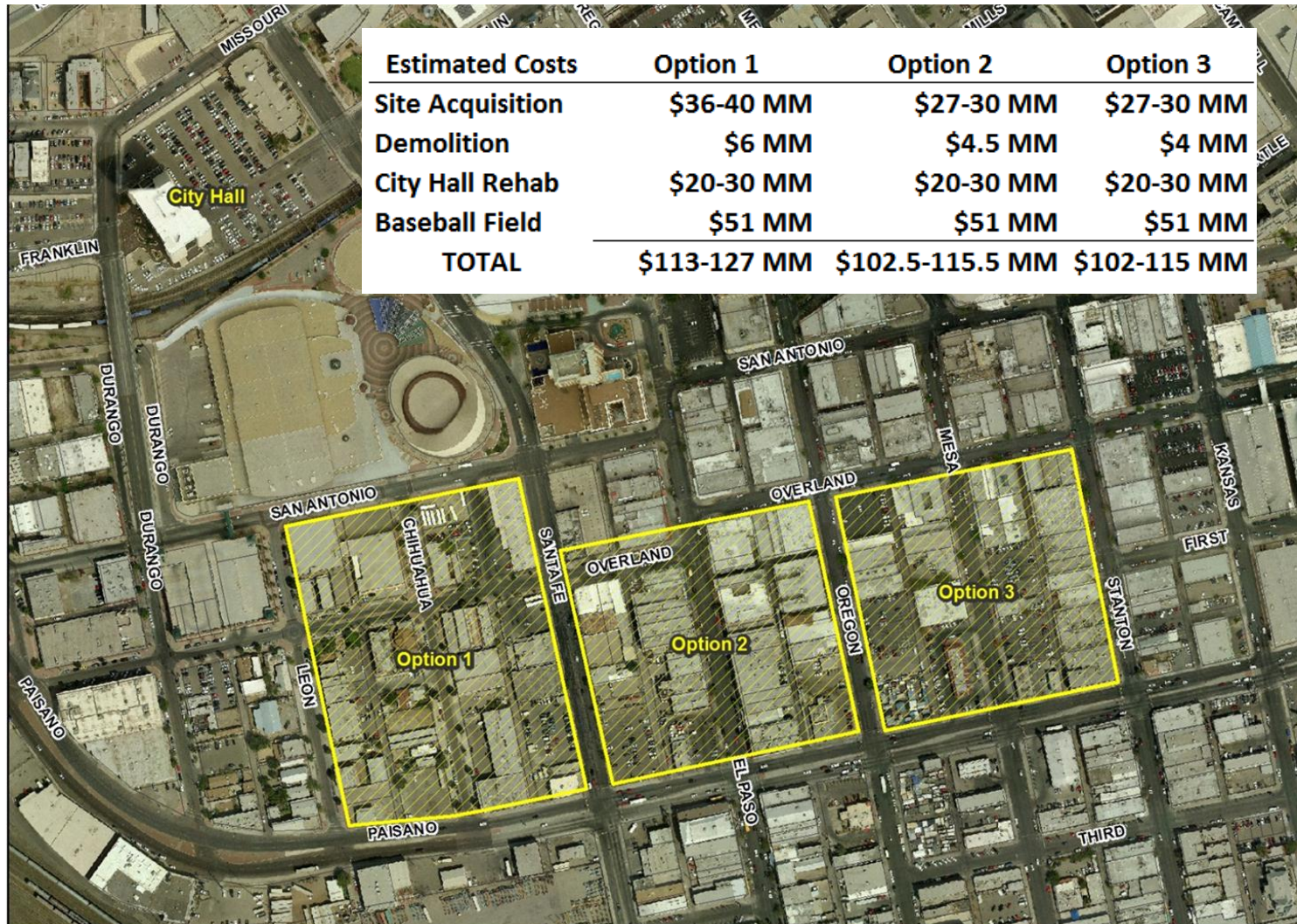
Why not other downtown sites?



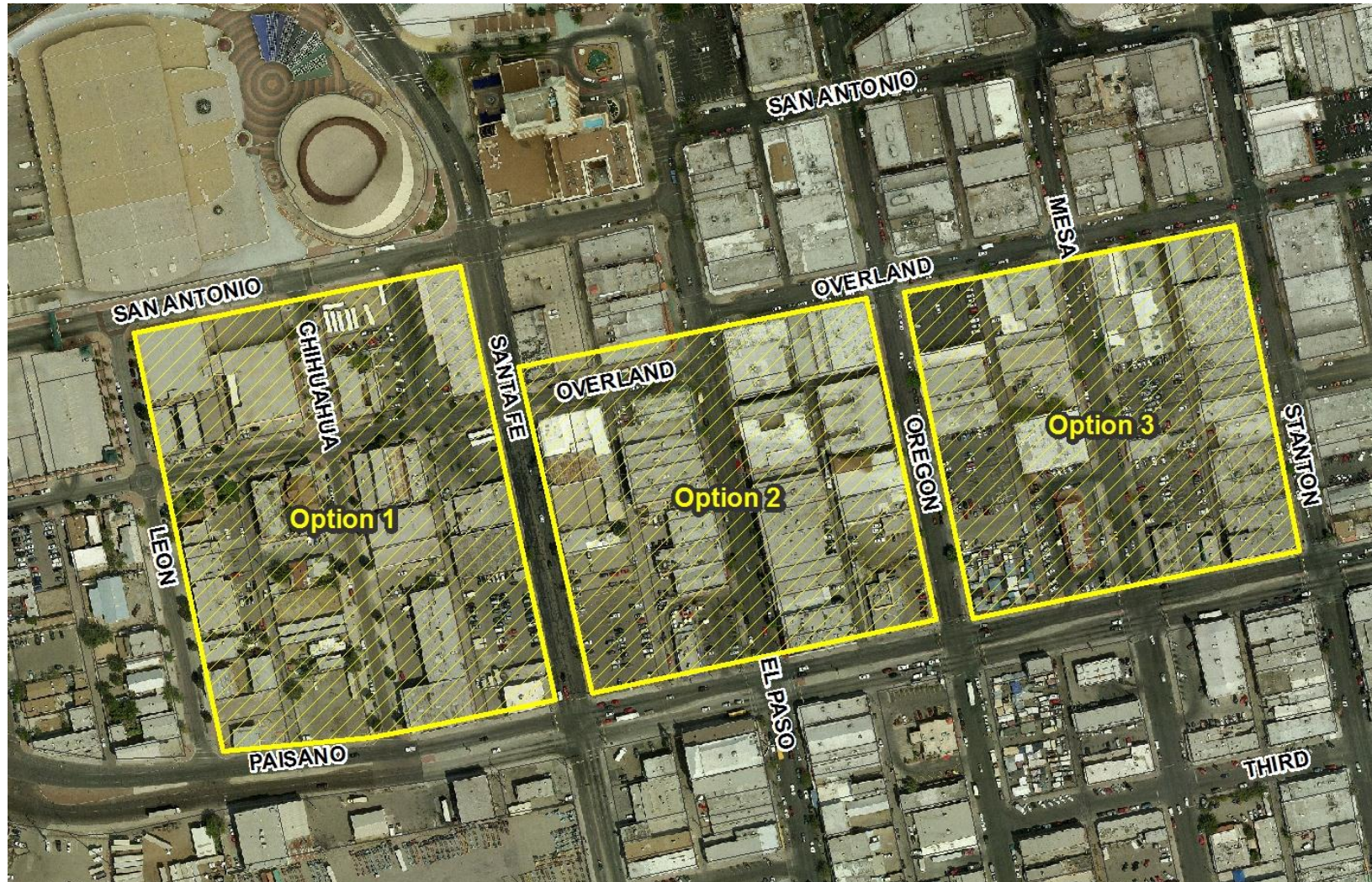
- **Need approx. 8 acres**
- **Approx. \$75/Sq. Ft.**
- **Inflates stadium cost considerably**
- **Need to assemble site from multiple property owners**
 - * does not take into account whether or not there would be willing sellers of downtown property which may increase the project cost
- **Eminent domain required**
- **Could not meet 2014 deadline**
- **Business and residential relocation costs extensive**



Why not other downtown sites?



Why not other downtown sites?





Why not other downtown sites?

City Hall Site

Stadium	\$51M
Relocation	\$3.5M
Comp. Space	<u>\$30-35M</u> \$85-90M

Other Site

Stadium	\$80-95M*
City Hall Rehab	\$20-30M
Parking	<u>\$?</u> \$100-135M+

***Issues to also consider**

- # of parcels
- Extensive business & residential relocation costs
- Litigation
- Eminent domain



Why not Cohen Stadium?



- **MiLB requires a new stadium**
- **Cohen stadium is over 20 years old and does not meet Triple-A standards**
- **Numerous deferred maintenance issues**
- **The location of Cohen is not downtown, which is a key focus area of the City and ownership group**
- **Not acceptable to League or ownership group, even as interim facility**



Why not Cohen Stadium?

- **Inadequate Revenue Generating Opportunities to Support Triple-A**
 - Concessions
 - Sponsorship
 - Group Sales
 - Premium Seating
- **Inadequate Team Infrastructure**
 - Locker Rooms
 - Physical Conditioning Space
 - Rehabilitation Space
 - Administrative Office Space
- **Inadequate Fan Experience Infrastructure**
 - Limited Seating Options
 - Concessions Points of Sale is Low
 - Inadequate Commissary
 - Limited Opportunities for Premium Menu Items
 - Number of Restrooms is Low
 - Premium Seating is Substandard (Suites/Club Spaces)
 - No Lounge/Meeting Space





Why not Asarco?

The ASARCO property is not owned nor directed by the City of El Paso. It is under the exclusive jurisdiction of a trustee, Project Navigator, appointed by the federal bankruptcy court.

Additionally, ASARCO is currently not in an environmental condition for this type of development as environmental clean-up of the site will not be completed until 2015





Where does City Hall go?

TVO/RJL Relocation Analysis

Priorities/Criteria

Evaluate all options currently available downtown to accomplish these objectives in case City Hall moves:

Key objectives:

- Relocate IT and City Development department only once
- Temporary offices for remainder of staff
- Long-term objective, find a permanent City-owned facility for majority of staff
- Minimize temporary rental costs by looking at all alternatives and minimizing the space requirements to the extent possible



Priorities/Criteria, cont.

City Development

- **House approximately 150 staff members needing about 28,500 square feet of usable space**
- **Storefront required at street level**
- **Nearby parking required**
- **Space should be easy to arrange so customers can get in and out quickly**
- **Class A or B space required, including ADA compliance and no asbestos issues**
- **Three to five year lease or permanent home**



Priorities/Criteria, cont.

Remainder of City Hall

- **House 400-450 employees in no more than two buildings (approximately 90,000 square feet), within walking distance of the Luther Building**
- **Class A or B space required, including ADA compliance and no asbestos issues**
- **Two year lease with two one year options**
- **Large, open spaces work best, preferably with room for conference space per floor**

IT Department

- **Look for alternatives to the Luther Building using the Luther Building site as the guide.**

LOCATIONS EVALUATED

Wells Fargo Building

Stanton Tower

Centre Building

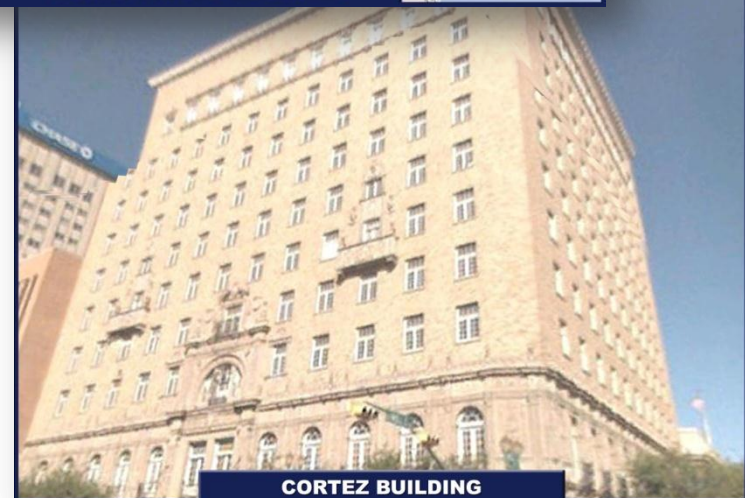
Blue Flame Building

1 Texas Tower

Mills Building

Cortez Building

Chase Building





LOCATIONS EVALUATED

Martin Building

Other Building

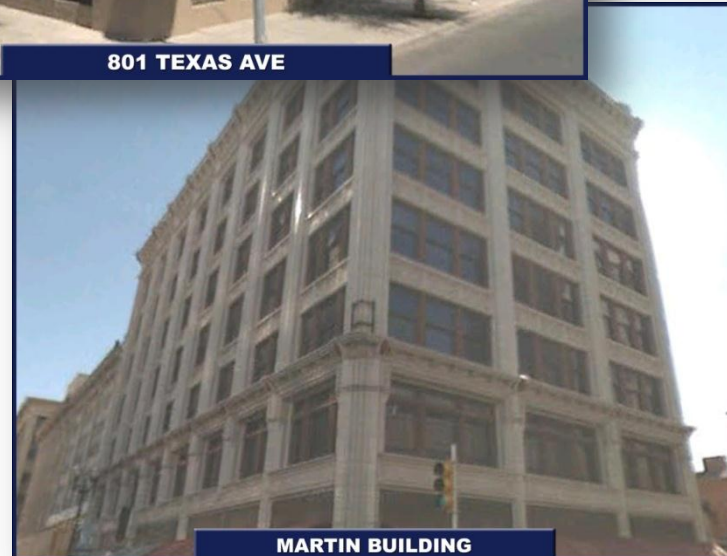
Centre Court

801 Texas

Luther Building

Mesa @ Boston

Old El Paso Electric Building





LIMITED OPTIONS

From the buildings on the location list, there were no “perfect” options. Three are not even up for consideration because they have recently been leased or are under contract:

- **Old El Paso Electric Building**
- **Centre Court**
- **The building at Mesa @ Boston**

Other buildings could not meet important criteria:

- **1 Texas Tower**
- **Mills Building**

The remainder of the buildings can work in some combination and/or cost.



RELOCATION RECOMMENDATIONS

After evaluating available space in the downtown area based on the criteria and goals given, there is not a perfect fit. We have adjusted the criteria for the best possible fit given the existing conditions.



RELOCATION RECOMMENDATIONS

- IT Department

- The Luther Building is the best option
- The only other building evaluated that could work is 801/811 Texas

- City Development plus Other City Related Departments

- 801/811 Texas is the best option
- An alternative may be other downtown building

- Remainder of City Hall Staff

- Other downtown building is the best option
- Current asking price is \$11,000,000 for approximately 83,000 SF
- Has approximately 150 market rate spaces available onsite

- *If additional space is needed, the Cortez building is the best option*

- City Council Meetings

- Downtown Public Library.
- The cost is \$0 and availability would not be an issue
- There are two areas where Council can go into executive session
- No “on-site” parking but there are a number of off-site parking spaces available in the area



LUTHER BUILDING

- This is an ideal location for the IT Department.
- Benefits include:
 - Rehabilitating a vacant and blighted building
 - It is big enough to house IT staff currently in various locations throughout the City and allow for future growth
 - Opportunity to serve the critical functions of the Office of Emergency Management (OEM) of the Fire Department.
 - Continuation of Operations Plan (COOP)
 - Emergency Operations Center (EOC)
 - Proximity to 911 District Facility
 - Opportunity to expand 911 OEM and Communications Functions
 - Fiber connectivity to City network infrastructure is nearby
- The purchase price for the site is \$17,181,000 (\$233 per RSF) after all renovations are complete. This is a fair amount based on construction costs, and replacement cost.
- Option for collaboration with 911 District to become a tenant and/or future owner (should reduce city cost)

801/811 TEXAS

- Meets the requirements for City Development and Other Departments
- Wide open space allowing for flexibility
- Renovations will have to be made to get the building in usable condition for the City
- The space has storefront access and accessible parking.
- Estimated that the hard costs of construction would be approximately \$7.6 million.
- Contains more space than required allowing additional City departments to house there
- 801 Texas is 64,000 SF with another 6,000 SF in adjacent annex (811 Texas)
- Would be a permanent home for City Development because the owner requires a purchase of the building



801/811 TEXAS

- The list price on 801/811 Texas is \$2,488,000. The list prices will be negotiated.
- The hard costs to finish out the 801/811 Texas are estimated to be \$110.61 per square foot.
- The total cost would be \$10.1 million (\$144 PSF) for both buildings. This number excludes any soft costs.





OTHER DOWNTOWN BUILDING

- **Recommended due to its available space, location, and current purchase price**
- **Size of the building is approximately 83,000 SF and is almost in “move-in” condition. New paint and carpet are the only needs outside of space planning**
- **Current purchase price of the building is \$11,000,000 or approximately \$133 PSF**
- **150 market rate parking spaces on-site and options for off-site parking**



CORTEZ BUILDING

- Recommended due to its availability, recent renovation, location, adjacent parking, and lease terms
- 25,500 usable SF available now at a lease rate of \$14.00 gross
- The cost of any initial modifications can be amortized over the initial term of the lease
- Landlord is willing to meet the lease terms of a two year lease with two one year extensions
- Parking is available in the adjacent garage. One space is free for every 500 square feet rented. Each additional space is \$45 per month





RELOCATION RECOMMENDATIONS

Building	Appx Square Footage	Total Cost	PSF Cost	Parking	Notes
*Luther Building 218 N. Campbell	73,667	17,181,000	\$ 233	Ground floor parking and additional parking is available	Total Cost includes finish out to the Information Technology Department specifications, plus enhanced façade.
Other Downtown Building	83,000	11,000,000	\$ 133	Approximately 150 market rate spaces are available on-site. Additional off-site parking is available	Parking lots are not part of the \$11 million purchase price.
801/811 Texas	70,000	10,100,000	\$ 144	Street parking is available as well as a City parking lot across the street	Total Cost includes the purchase of the buildings and hard costs to get the building into a quality shell condition. Soft costs and finish outs are not included.

Currently, the above buildings provide more square footage than currently needed. If only two of the buildings are selected, the Cortez building is recommended to handle overflow.

* 911 possible tenant and longer term owner



WHY THREE PROPERTIES?

- **Allows us to address ALL city hall activities plus accommodate other agencies now leasing space elsewhere**
- **Could save about \$250,000+ in rent payments (Fire Admin and IA) almost immediately**
- **Provides stability in that we move most key operations only once into a permanent setting**
- **Buys time to assess long-term City Municipal Center location without paying market rents**
- **Restores two vacant/underutilized downtown properties in strategic locations**
- **Gives us future operational relocation opportunities once we decide on a permanent city hall, which would be significantly smaller and house only the administrative services. Specifically allows us to consider bringing other city activities into the downtown core within the footprint of these properties per council's direction.**



WHY THREE PROPERTIES?

Luther Building

Possible City/911 District Partnership
(one owns and one is significant tenant/or joint ownership)

- Houses all City IT, including communications activities now at Montana Ave. That site is then free to expand Hyundai lease, more income opportunity
- 911 District expansion. Immediate needs for computer center growth and other anticipated future needs
- Future county IT relocation if consolidation moves forward
- Fire Admin. could be accommodated in this location for permanent administration needs
- Net new city financial obligations could be reduced significantly depending on who occupies unused space.



WHY THREE PROPERTIES?

801 Texas

- **Create City Development Center, permanent location.**
- **Include Community Development, Parks and Recreation, possibly Engineering & Construction Mgmt.**
- **Centralized business activity center with good public access and convenient parking for staff and public**
- **Renovates vacant building in strategic location to promote other private/public investment**



WHY THREE PROPERTIES?

Other Building

- **Best economic purchase**
- **Move in ready with minor upgrades – paint/carpeting, etc**
- **Technology backbone in place given current use**
- **Can house all administrative operations for immediate and short/mid term**
- **Will be good asset even if we sell down the road or to house PSB/EPWU**
- **Can become a public safety headquarters along with Luther Building if we wish to relocate PD Admin from Five Points in Future**



SUMMARY OF RELOCATION

Type of Cost	Estimated Costs	Funding Source	Budget Year
IT Relocation	\$1,604,905*	General Fund Reserves	2012-13
Records/ Archiving	\$450,000	General Fund Reserves	Surplus from 2012 if available
Moving Costs	\$1,000,000	General Fund Reserves or Contingency	2012-13
<i>Totals</i>	<i>\$3,054,905</i>		

*Net of CIP projects already budgeted



SUMMARY OF BUILDING COSTS

Building	Construction Costs*	Annual Costs	Payments to begin
Luther	\$17,875,112	\$1,174,654	2/15/2014
801/811 Texas	\$10,508,040	\$690,531	2/15/2014
Downtown Building	\$11,444,400	\$752,063	2/15/2014
<i>Totals</i>	<i>\$39,827,552</i>	<i>\$2,617,249</i>	
<i>Tax Rate Impact</i>		<i>\$0.0084</i>	

*Includes 2% for the Arts, 2% for Debt Issuance Costs

**Does not include rent payment opportunities (911 + Other City Leases)



Procurement Process

Products and services associated with the relocation of City Hall will be acquired via competitive bidding and use of applicable co-operative contracts. The selection of procurement methods shall primarily be driven by the

- *length of time associated with the acquisition cycle*
- *delivery schedule (if applicable)*
- *length of time/performance period of services being procured*
- *price reasonableness*

When co-operative contracts are utilized a good faith efforts shall be made to source services and/or products from local vendors within the framework delineated above



Actions Coming Forward

- **Hiring a relocation consultant to assist with the move**
- **A/E selection and agreement for an Owners Representative related to stadium design**
- **A/E selection and agreement for a designer for the stadium**
- **A/E selection and agreement for renovation related to relocation**
- **Bid for document scanning**



Actions Coming Forward

- **Bid for construction of necessary renovations to relocation site(s)**
- **Job order or other on-call contract for construction related to relocating technology from City Hall**
- **Another A/E agreement for communication engineering services associated with the relocation of technology from City Hall**
- **Expansion of the approved A/E agreement for communication engineering services associated with the relocation of technology from City Hall**



Triple-A Baseball Is Nothing New...

KFOX14 kfoxtv.com

El Paso 78° Las Cruces 79°

Wx Alerts
Weekend in View
Neighborhood

HOME NEWS WEATHER TRAFFIC SPORTS COMMUNITY HEALTH

HOME > NEWS

Updated: 10:16 p.m. Tuesday, July 13, 2010 | Posted: 9:53 p.m. Tuesday, July 13, 2010

Triple-A Baseball Team Coming To El Paso?

SHARE FAVORITE VOTE (0)

Related

View Larger

EL PASO, Texas — A new triple-A baseball team that the Portland Beavers baseball team is the Portland Beavers, they will no longer be reported. Fans said a homerun.

"I think the fan base is up. I think a lot of a baseball fan."

El Paso Times elpasotimes.com

Home News Opinion Sports Business Entertainment Communities Living Spanish Obits

Triple-A team not headed to EP

By Ramon Bracamontes | EL PASO TIMES
Posted: 10/20/2010 12:00:00 AM MDT

The Portland Beavers baseball team has been sold to a group of investors in San Diego, apparently ending a movement by El Paso investors to bring the triple-A team to town.

Merritt Paulson, owner of the Beavers, announced that he had an agreement to sell his club to a group led by Jeff Moorad, owner of the San Diego Padres. The deal could close in December, according to a statement sent to the El Paso Times on Tuesday.

El Paso HD El Paso • Las Cruces • Juarez

NEWS WEATHER SPORTS COMMUNITY FEATURES STATION 11

CHAMPIONS MATTRESS FIRM

Triple A Baseball Could Be a Reality in Sun City

POSTED: Tuesday, July 20, 2010 - 22:51
UPDATED: Wednesday, July 21, 2010 - 05:19

ATED
ablos Future In El



These are not new ideas or concepts

- **City has been under discussion for five years since adoption of Downtown Plan.**
- **In 2007 City Hall was considered as a site for a new conference hotel. Proposal did not materialize due to 2008 financial downturn and lack of private financing.**
- **In 2009 City Staff recommended \$11M investment for City Hall upgrades. Not approved due to possibility of better uses for site.**
- **In 2010, Triple AAA opportunity surfaced. Cohen Stadium visited as interim site and rejected. Ownership group lost bid.**



What is different now?

- **City Council & City Management committed to revitalizing downtown and a robust Quality of Life investment plan**
- **Business Leadership ready and committed to revitalizing downtown and economic development investments**

COMBINED COMMITMENT
PUBLIC / PRIVATE PARTNERSHIP

REDHAWKS FIELD AT BRICKTOWN

Oklahoma City, Oklahoma

"The property values shifted and clearly it brought in outside investment." – Mark Snead,
Oklahoma State University's Center for Applied
Economic Research

Project Details:

- 13,066 seats
- Completion: April 1998

Urban Development Impact:

- Bricktown District
- Revitalization of former warehouse district
- Canal and riverwalk
- Movie theatre
- Hotels/ Restaurants/ Shops





ACES BALLPARK

Reno, Nevada

"It'll really give life to an area that's been down."

— Bob Cashell,
Mayor of City of Reno

Project Details:

- 9,100 seats
- Completion: April 2009

Urban Development Impact:

- Freight House District
- Renovated Freight House structure
- Entertainment district of bars/ restaurants
- Concerts and festivals





CANAL PARK AKRON, OHIO

Project Details:

- 8,500 seats
- 1,000 outfield grass seating
- 25 suites
- Completion: April 1997

Urban Development Impact:

- Main street urban edge
- Restaurants/ bars
- Retail stores
- Club admin offices
- Hotels
- Night clubs
- Art galleries

